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DIVISION OF
OIL, GAS & MINING

April 30, 1990

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Subject: Soil Sampling, Drum Mine, M/027/007

Attached are the composite soil sample results from the Drum Mine and a map showing where the samples were taken. Samples 1, 2 and 3 came from inactive heaps. Samples 4, 5 and 6 were taken at possible borrow locations around the perimeter of the mine. Samples 7 and 8 came from the west waste dump. The samples were taken as outlined in your September 19, 1989 letter to Richard McNeeley.

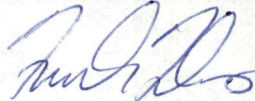
It is anticipated that reclamation of the site will require the placement of borrowed soil on only those heaps and dumps which contain either very coarse material or material which is chemically not suitable for plant growth. The Hi-Grade Heap No. 6 contains a very coarse material. The Lo-Grade Heap No. 3 and the West Waste Dump contain both coarse and finer grained material.

As you know, Western States Minerals Corporation ("WSMC") has sold the Drum Mine to Jumbo Mining Company and now seeks release of its reclamation bond. There is a dispute between WSMC and Jumbo over its responsibility for certain reclamation tasks. WSMC has undertaken this soil sampling and testing as part of an effort to determine the cost of reclamation of the Drum Mine site. This determination is sought in the context of settlement of WSMC's dispute with Jumbo concerning ultimate responsibility for reclamation. Accordingly, no action taken by WSMC, nor any correspondence relating to these soil samples should be taken as an admission or recognition by WSMC of any responsibility for reclamation of the Drum Mine site, or any portion thereof.

We look forward to your evaluation of the sample results and a recommendation for revegetation test plots.

Sincerely,

Western States Minerals Corporation



Frank Filas
Environmental Engineer

cc: A. Cerny, A.S. Gordon - WSMC
Ed King - Jumbo Mining Company
Phil Allard - BLM
S. Alfers- Davis, Graham & Stubbs